

*Office of the United States Attorney  
District of Arizona*

## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**  
**February 21, 2003**

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# **FORMER FEDERAL CHARITY DIRECTOR RECEIVES 43 MONTHS PRISON FOR THEFT OF CHARITABLE FUNDS, FALSE STATEMENTS**

**PHOENIX, ARIZONA** -- The United States Attorney's Office for the District of Arizona announced that on February 21, 2001, Lenwood I. Coleman, D.O.B. November 25, 1955, most recently of Mesa, Arizona, was sentenced in a federal district court in Phoenix to a term of 43 months imprisonment for Theft of Government Funds and for violation of his probation.

Coleman, had been charged with over 20 counts of violating Title 18 of the United States Code, Section 641 (Theft of Government Property), and one count of Title 18, Section 1001 (False Statements). The theft counts arose from Coleman's embezzlement of over \$128,000 in charitable contributions collected from federal employees in Maricopa County while Coleman was the executive director of the Combined Federal Campaign, or CFC. The CFC is an annual charitable giving program

that operates much like United Way campaigns for the general public, wherein every employee of every federal agency in Maricopa County is solicited to make contributions to the local, national or international charities of their choice, through bi-weekly payroll deductions. Coleman, as an independent contractor, won the contract to administer the CFC for the 1995-96, 1996-97, and 1997-98 campaign years, and thus was responsible for the banking and disbursement to charity of the nearly \$1 million collected during each of those campaigns. Coleman admitted during his plea proceeding to knowingly taking \$128,000 of the charitable contributions from the 1997-98 campaign account and converting them to his personal use.

The False Statement count arose out of Coleman's arranging for a \$462,000 business loan guaranteed by the United States Small Business Administration (SBA) so that a business operated by Coleman and others could purchase an assisted living facility in Apache Junction, Arizona. In applying for the loan, Coleman caused false "gift letters" to be created to disguise the true source of a \$51,000 down payment for the business. The Small Business Administration required that at least ten percent of the purchase price-\$51,000-be put up by the purchasers themselves and not be borrowed or otherwise encumbered, to assure that the purchasers had a sufficient stake in the success of the business. The "gift letters" stated that the \$51,000 came from several cash gifts from family and friends when, as Coleman admitted during his plea hearing, the down payment had been borrowed from the sellers, and then immediately repaid to them in the form of cashiers' checks, to give the appearance that the sellers had received the ten percent down payment from Coleman.

The investigation in this case was conducted by the United States Office of

Personnel Management's Office of Inspector General and the Federal Bureau of Investigation.

The prosecution is being handled by the United States Attorney's Office,  
District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-02-487-PHX-EHC and CR-02-1056-PHX-EHC  
RELEASE NUMBER: 2003-022

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